



HIRING A CONTRACTOR

The State of Virginia allows the homeowner to perform all of the construction work without having to hire a licensed contractor. However many homeowners do not have the time or the knowledge to tackle such an undertaking, and therefore hire a contractor to do all or part of the work. Following these few steps can alleviate much anxiety when selecting a contractor:

1. Check to see if the contractor is licensed. Ask the contractor for a copy of his/her business license and the state's contractor's license, which are required by each city and county in order to do business in Virginia. If you are unsure of the validity of the license, you can verify it by going to the Virginia Department of Professional and Occupational Regulation (DPOR).
2. Check to see if the contractor is insured. Ask the contractor for copies of his/her certificate of insurance.
3. Check with the local Better Business Bureau and Home Building Association of Richmond to see if there have been any complaints filed against the contractor.
4. Check to see if the contractor has a reputable business establishment. Confirm the physical address and local phone number of his/her office.
5. Inquire about employees and sub-contractors who will be working on your project. Ask for a list of their names.
6. Ask for references. Contact referrals whose projects are similar to yours. Ask specific questions regarding timeliness, response to concerns and requests, clean up and over job quality. Ask the referral if you can visit the completed job, as your idea of a great job and someone else's idea may be different.
7. Have the contractor provide a contract. **READ THE FINE PRINT** and do not assume anything. The contract should include a set of plans, which will help identify the details of your project. The contract should also spell out:
 - A. The name and address of the contractor,
 - B. The contractor's license number, expiration date, license class and any specialty license information,
 - C. A detailed scope of work,
 - D. The price of the job, (preferably broken out into specific tasks or subcomponents of the project (including taxes, and contractor fees), and then tallied into a total price),
 - E. The time frame in which the project will be completed: start date, any milestones which might be important, and completion date,
 - F. Payment schedule, (example: 10% down- due within 7 days after signing contract, 40% to be paid within a week after upon passing the

- rough framing inspection, the 50% to be paid before the certificate of occupancy is issued),
- G. Who will obtain the permit,
- H. Cancellation rights of both parties,
- I. Penalties for non-performance (if any),
- J. The warranty, etc.
- K. Any special materials or finishes.

If the contractor or sub-contractor will not provide you with this information, be very leery.

The Virginia Department of Professional and Occupational Regulation (DPOR) governance is written in Board for Contractors Regulations and portions are paraphrased here for your convenience. Contact them directly if you have further questions.

18 VAC 50-22-260.B.8-9

8. All those who engage in residential contracting, excluding subcontractors to the contracting parties and those who engage in routine maintenance or service contracts, shall use of a labile written contract clearly specifying the terms and conditions of the work to be performed. Residential contracting means construction, removal, repair, or improvements to a single-family or multiple-family residential building, including accessory –use structures. Prior to commencement of work or acceptance of payments, the contract shall be signed by both the consumer and the licensee (contractor) or his agent.

9. The terms of a written contract shall contain the following minimum requirements:

- a. When work is to begin and the estimated completion date;
- b. A statement of the total cost of the contract and the amounts of the down payment;
- c. A listing of specified materials and work to be performed, which is specifically requested by the consumer;
- d. A “plain-language” exculpatory clause concerning events beyond the control of the contractor and a statement explaining that delays caused by such events do not constitute abandonment and are not included in calculating time frames for payment of performance;
- e. A statement of assurance that the contractor will comply with all local requirements for building permits, inspections, and zoning;
- f. Disclosure of the cancellation rights of the parties;
- g. For contracts resulting from a door-to-door solicitation, a signed acknowledgement by the consumer that he has been provided with and read the Department of Professional and Occupational Regulation

statement of protection available to him through the Board of Contractors;

- h. Contractor's name, address, license number, class of license, and classifications of specialty services; and
- i. Statement providing that any modification to the contract, which changes the cost, materials, work to be performed, or estimated completion date, must be in writing and signed by all parties."

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APPENDIX RBC-9.1. Department of Professional and Occupational Regulation.

STATEMENT OF CONSUMER PROTECTIONS

THIS CONSUMER PROTECTION SHEET IS PROVIDED THROUGH THE BOARD FOR CONTRACTORS AND MAY BE REPRODUCED BUT NOT ALTERED

If you are about to engage the services of a contractor in the state of Virginia, you should be aware of the state's program for the regulation of this occupation by licensing or certifying these businesses.

Any contractor who undertakes a project the total value of which is \$120,000 or more, is required to have a valid Class A license issued by the Board for Contractors. Any contractor who undertakes a project the total value of which is over \$7,500 but less than \$120,000, must have a valid Class B license. A licensed contractor has met standards established by the Board for Contractors to ensure that the licensee possesses the character, knowledge, and skills necessary to practice without harm to the public.

Any contractor who undertakes a project the total value of which is more than \$1,000 but no more than \$7,500 is required to have a valid Class C certificate. Class C certification requires that the contractor submit information to the Board for Contractors concerning the location, nature, and operation of the business, as well as evidence of experience and information on the applicant's credit history. Contractors who work in the plumbing, electrical or heating/ventilation/air-conditioning trades must have either a Class A or Class B license, according to project amount.

Before signing any contract, you should ask to see the license/certificate or the pocket card issued with the license/certificate and check to be sure that it has not expired and that the contractor is working within the limits of his licensure or certification.

The authority of the Board for Contractors to discipline these licensed or certified contractors is limited to specific violations of the law and/or regulations of the board, such as written citations from the local building inspectors for violations of the Virginia Uniform Statewide Building Code or practices which constitute abandonment, gross negligence, continued incompetence, or misconduct in the practice of the profession. In such cases disciplinary action by the board is limited to fines and/or revocation or suspension of the contractor's license or certification, and such action can only be taken after a hearing or with the consent of the licensee/certificate holder and his agreement to waive his right to a hearing.

The board does not have the authority to order a licensee/certificate holder to make restitution to you for losses you may have incurred due to the contractor's poor performance; efforts to recover such funds must be made through the civil courts. If you are planning to take such action against the contractor, you should contact the Board for Contractors at (804) 367-1559 in order to receive information about the Virginia Contractors Transaction Recovery Fund and the procedures for applying to recover from the fund if you are unable to collect after judgment is awarded in court.

Issues involving cosmetic defects in workmanship must be resolved by negotiation between you and your contractor or civil action to enforce the terms of your contract if necessary. You should be careful in reviewing the contract before signing it in order to be sure that the terms of the agreement are clear and acceptable to you. You should know that, customarily, the initial down payment is no more than 30% of the total value of the contract and that, if you are dissatisfied with the work performed by the sub-contractors, you may hold the general contractor responsible. Finally, remember that, in accordance with the Virginia Home Solicitation Sales Act (§59.1-21.1 et seq. of the Code of Virginia), you have a three-day right to cancel a contract which you have negotiated in your home. (For more precise information about the application of this law, see the Code of Virginia or seek legal advice.)

Should you have reason to believe that your contractor may not have complied with the rules and regulations of the Board for Contractors, you should notify the Department of Professional and Occupational Regulation by calling (804) 367-8504 or write to the following address:

Department of Professional and Occupational Regulation Enforcement
Division
3600 West Broad Street
Richmond, Virginia 23230-4917

The aforementioned information is not intended to be an exhaustive list of the remedies available to you through your local government or other agencies. If you need additional assistance, call the Virginia Department of Agriculture and

Consumer Services, Citizens Assistance number at (804) 786-2042, or write to the following address:

Department of Agriculture and Consumer Services
Washington Building
Capitol Square 1100 Bank Street, Room 101,
Richmond, Virginia 23219